

ORIGINAL DOCKET FILE COPY ORIGINAL RECEIVED

NOV 10 1993

FCC - MAIL ROOM

**RESPONSES  
TO  
NOTICE OF PROPOSED RULE MAKING**

In the matter of implementation of Section 309(j) of the Communications Act Competitive Bidding (PP Docket No. 93-253).

By the Chase McNulty Group, Inc.: E. Lee Elliott, CEO; Jeffrey D. Trotter, President; and Anthony L. Rick, Vice President.

Comment response date November 9, 1993.

All comments are made in respect to (but not limited to) IVDS and PCS licenses awarded by the Federal Communication Commission.

(Comments will be referenced to numbered paragraphs, i.e., (4) refers to issue(s) for comment with respect to paragraph 4 of PP Docket No. 93-253.)

The purpose of our comments are to cover specific areas of concern that will most likely effect the ability for our company to compete effectively and fairly against other entities for licensure of IVDS and/or PCS. Each comment is not held out to be a detailed analysis of the subject of concern, but meant to convey awareness and suggestions to the legislative architects with respect to small companies such as ours and to promote equal opportunity for participation against large entities with deep pockets that could inadvertently violate anti trust laws. More detailed comments are better elicited through live testimony.

The areas of concern are:

- I. Timely Notice
- II. Auction Design
- III. Services

I. Timely Notice: (19) CMG believes a policy of announcing auction methodology for a particular service and particular service area should be executed by way of a public notice 90-days in advance of the auction date. A 60-day notice of intention to bid is required by an entity. A 30-day notice of acceptable bidders should also be issued by the FCC. This should allow an entity ample time needed to prepare the bid assembly in a timely fashion. (All variables as well as independent compliance procedures should be stated in each notice.)

II. Auction Design: (46) CMG believes oral bidding may be the fastest and most efficient method to expedite licensing, but believes that sealed bidding and sealed second-bid methods should be implemented by random method for each individual market area as well as group areas. For example, IVDS licensing of markets Nos. 20-25 may be granted through oral bidding while 26-28 through sealed bid, 29-30 sealed second-bid, 31-33 oral bid, 34-40 sealed bid, etc. In the case of sealed second-bid in order to protect the value of a license in the case

No. of Copies rec'd  
List ABCDE

8-19

where the highest bidder exceeds the highest losing bid by a large amount (i.e., 100+%) the winning bidder will have to pay an adjusted amount equal to x% of the highest losing bid (x to be determined by the rule making committee).


(50) CMG will competitively bid against other entities seeking preferential treatment as a small business with respect to size, refer to SBAC Report at 20-21. CMG believes small businesses that have the ability to prepare a bid package and perform to the FCC parameters set forth to promote economic opportunity and competition as well as development and rapid deployment of the technologies, products and services for the benefit of the public, should be given preferential treatment and included in the field of applicants designated as small business and businesses owned by women, minorities and rural telcos, with 50.1% of licensure awarded to these entities in a random fashion where the service area is designated a preferential treatment area via a random selection process similar in fashion to a lottery style, therefor promoting robust and highly competitive bidders from all economic sectors and protecting all entities against anti trust violation.

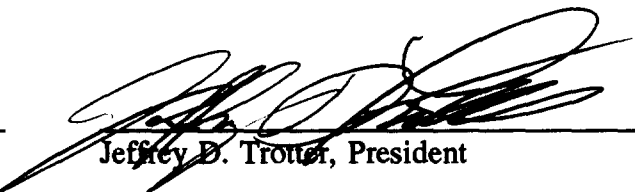
(103) CMG believes an entity should be required to place an up front payment equal to 1 cent per megahertz per pop, which is 50% less than the proposed figure by the FCC, per license in the case of an individually licensed market. In the case of group licensing, the up front payment should equal the sum of the up front payment if each market was licensed individually and adjusted favorably for entities receiving preferential treatment. All up front payments should be returned upon outcome of market bidding if the entity was not successful.


III. Services: CMG believes IVDS, PCS, SMR, as well as other services will offer the public benefits to improve and enhance their lifestyle. All auction methodologies must take into consideration the small and large business entities competing, as well as the best bidding methodology for the general public of a specific market area(s). CMG believes the FCC has the responsibility to ensure the preferential treatment of above mentioned entities for services granted through the competitive bidding license process.

The Chase McNulty Group looks forward to reading all comments and replying during the reply comment period.

Sincerely,

  
E. Lee Elliott  
Chief Executive Officer

  
Jeffrey D. Trotter, President

  
Anthony L. Rick  
Vice President